Renewed, Reliable and Resilient

First-Quarter 2024 Financial Results
May 2, 2024

PINNACLE WEST
CAPITAL CORPORATION

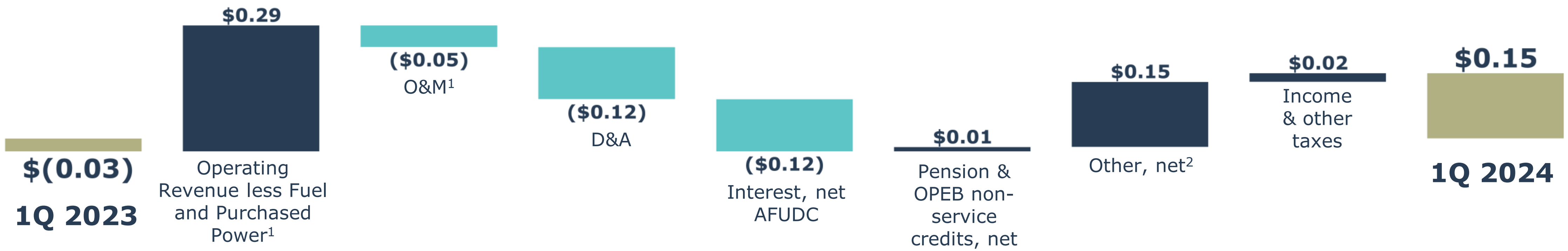
Forward Looking Statements

This presentation contains forward-looking statements based on current expectations, including statements regarding our earnings guidance and financial outlook and goals. These forward-looking statements are often identified by words such as “estimate,” “predict,” “may,” “believe,” “plan,” “expect,” “require,” “intend,” “assume,” “project,” "anticipate," "goal," "seek," "strategy," "likely," "should," "will," "could," and similar words. Because actual results may differ materially from expectations, we caution you not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from outcomes currently expected or sought by Pinnacle West or APS. These factors include, but are not limited to: uncertainties associated with the current and future economic environment, including economic growth rates, labor market conditions, inflation, supply chain delays, increased expenses, volatile capital markets, or other unpredictable effects; our ability to manage capital expenditures and operations and maintenance costs while maintaining reliability and customer service levels; variations in demand for electricity, including those due to weather, seasonality (including large increases in ambient temperatures), the general economy or social conditions, customer, and sales growth (or decline), the effects of energy conservation measures and distributed generation, and technological advancements; the potential effects of climate change on our electric system, including as a result of weather extremes such as prolonged drought and high temperature variations in the area where APS conducts its business; power plant and transmission system performance and outages; competition in retail and wholesale power markets; regulatory and judicial decisions, developments, and proceedings; new legislation, ballot initiatives and regulation or interpretations of existing legislation or regulations, including those relating to environmental requirements, regulatory and energy policy, nuclear plant operations and potential deregulation of retail electric markets; fuel and water supply availability; our ability to achieve timely and adequate rate recovery of our costs through our rates and adjustor recovery mechanisms, including returns on and of debt and equity capital investment; our ability to meet renewable energy and energy efficiency mandates and recover related costs; the ability of APS to achieve its clean energy goals (including a goal by 2050 of 100% clean, carbon-free electricity) and, if these goals are achieved, the impact of such achievement on APS, its customers, and its business, financial condition, and results of operations; risks inherent in the operation of nuclear facilities, including spent fuel disposal uncertainty; current and future economic conditions in Arizona; the direct or indirect effect on our facilities or business from cybersecurity threats or intrusions, data security breaches, terrorist attack, physical attack, severe storms, or other catastrophic events, such as fires, explosions, pandemic health events or similar occurrences; the development of new technologies which may affect electric sales or delivery, including as a result of delays in the development and application of new technologies; the cost of debt, including increased cost as a result of rising interest rates, and equity capital and our ability to access capital markets when required; environmental, economic, and other concerns surrounding coal-fired generation, including regulation of GHG emissions; volatile fuel and purchased power costs; the investment performance of the assets of our nuclear decommissioning trust, pension, and other postretirement benefit plans and the resulting impact on future funding requirements; the liquidity of wholesale power markets and the use of derivative contracts in our business; potential shortfalls in insurance coverage; new accounting requirements or new interpretations of existing requirements; generation, transmission and distribution facility and system conditions and operating costs; our ability to meet the anticipated future need for additional generation and associated transmission facilities in our region; the willingness or ability of our counterparties, power plant participants and power plant landowners to meet contractual or other obligations or extend the rights for continued power plant operations; and restrictions on dividends or other provisions in our credit agreements and ACC orders. These and other factors are discussed in the most recent Pinnacle West/APS Form 10-K along with other public filings with the Securities and Exchange Commission, which you should review carefully before placing any reliance on our financial statements, disclosures or earnings outlook. Neither Pinnacle West nor APS assumes any obligation to update these statements, even if our internal estimates change, except as required by law.

In this presentation, references to net income and earnings per share (EPS) refer to amounts attributable to common shareholders.

First-Quarter results impacted by customer growth and new rates

Q1 2024 vs Q1 2023



Operating Revenue less Fuel and Purchased Power		
2022 GRC base rate impact	$	0.12
LFCR & 2019 GRC appeal outcome	$	0.12
Sales/Usage	$	0.11
All other	$	0.04
RES/DSM/EIS	$	0.01
Transmission	$	(0.04)
Weather	$	(0.07)

[1] Includes costs and offsetting operating revenues associated with renewable energy and demand side management programs, see slide 22 for more information.

[2] Other, net benefit is primarily the gain on the sale of Bright Canyon Energy. See Note 14 in First Quarter 2024 Form 10-Q for more information.

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2024 EPS guidance

Key Factors and Assumptions (as of May 2, 2024)	2024
Adjusted gross margin (operating revenues, net of fuel and purchased power expenses, x/RES,DSM,CCT)[1] • Retail customer growth of 1.5%-2.5% • Weather-normalized retail electricity sales growth of 2.0%-4.0% • Includes 2.5%-3.5% contribution to sales growth of new large manufacturing facilities and several large data centers • Assumes normal weather	$2.93 – $3.00 billion
Adjusted operating and maintenance expense (O&M x/RES,DSM,CCT)[1]	$940 – $960 million
Other operating expenses (depreciation and amortization, and taxes other than income taxes)	$1.09 – $1.11 billion
Other income (pension and other post-retirement non-service credits, other income and other expense)	$58 – $64 million
Interest expense, net of allowance for borrowed and equity funds used during construction (Total AFUDC ~$96 million)	$320 – $340 million
Net income attributable to noncontrolling interests	$17 million
Effective tax rate	13.75% – 14.25%
Average diluted common shares outstanding	114.9 million
EPS Guidance	**$4.60 – $4.80**

[1] Excludes costs and offsetting operating revenues associated with renewable energy and demand side management programs. For reconciliation, see slide 22.

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Key drivers for 2024 EPS guidance

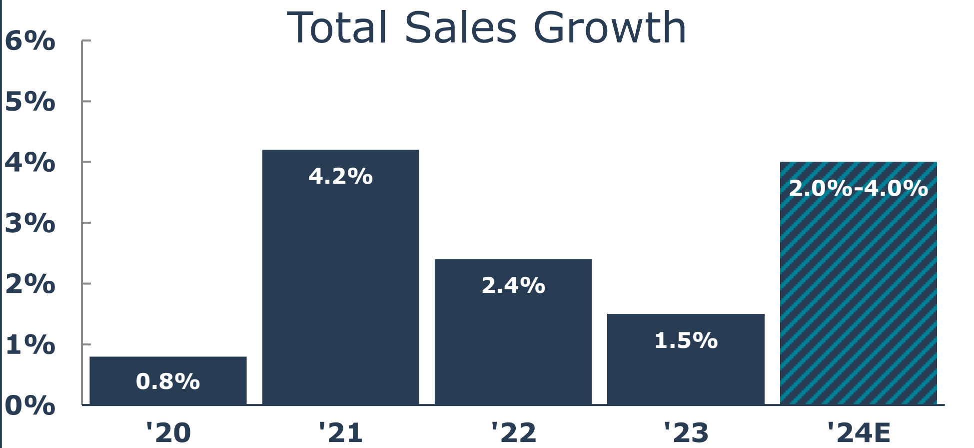
2024 EPS guidance of $4.60-$4.80 key drivers[1]

↑ New rates in effect March 8, 2024	↓ Depreciation, amortization and property taxes due to higher plant in service
↑ Retail customer growth of 1.5%-2.5%	↓ 2024 normal weather
↑ Weather-normalized retail electricity sales growth of 2.0%-4.0% (includes 2.5%-3.5% from large C&I)	↓ Financing costs
↑ LFCR & 2019 GRC appeal outcome	↓ Operations and maintenance
↑ BCE sale	

[1] Arrows represent expected comparative year-over-year impact of each driver on earnings.

Long-term guidance and key drivers

- Long-term EPS growth target of 5%-7% off 2024 midpoint
- Retail customer growth of 1.5%-2.5%
- Weather-normalized retail electricity sales growth of 4%-6% (includes 3%-5% from large C&I customers)



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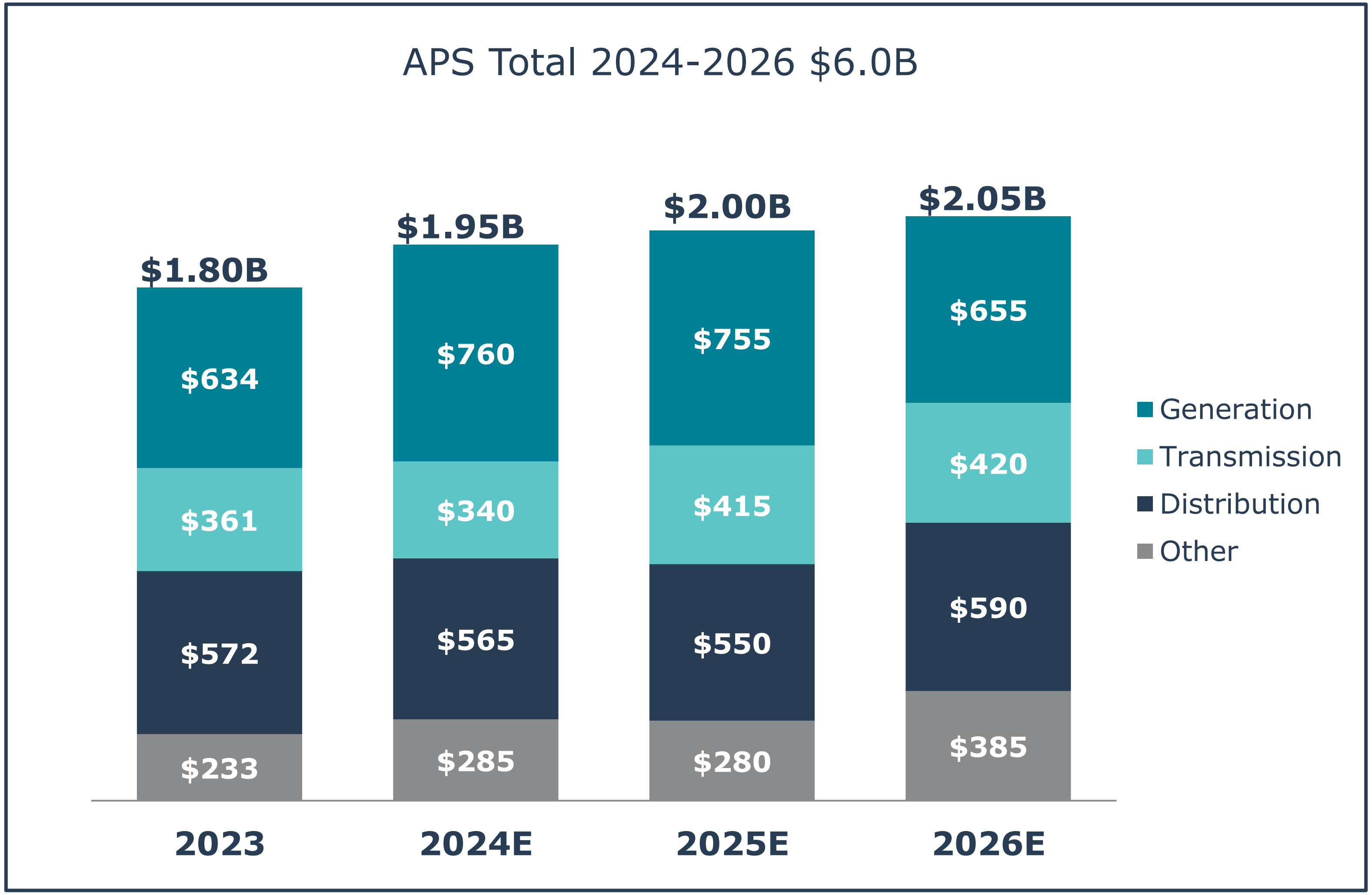
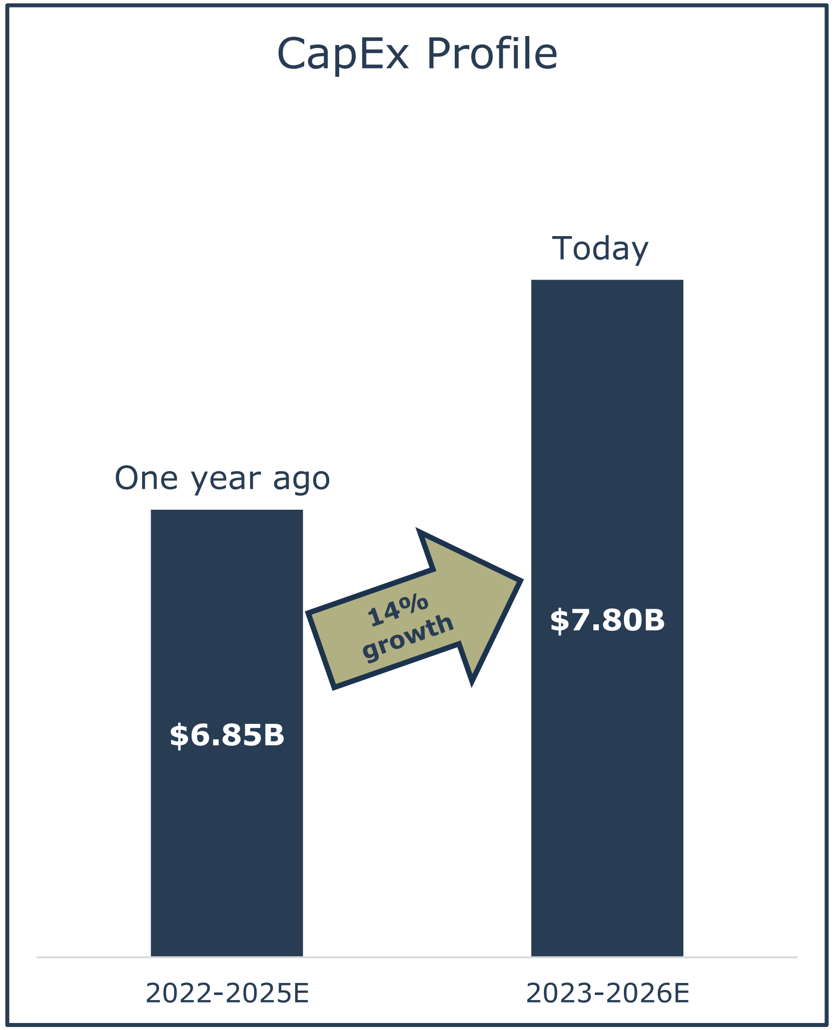
Capital plan to support reliability and continued growth within our service territory





Source: 2024-2026 as disclosed in the First Quarter 2024 Form 10-Q

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Rate Base growing within our service territory

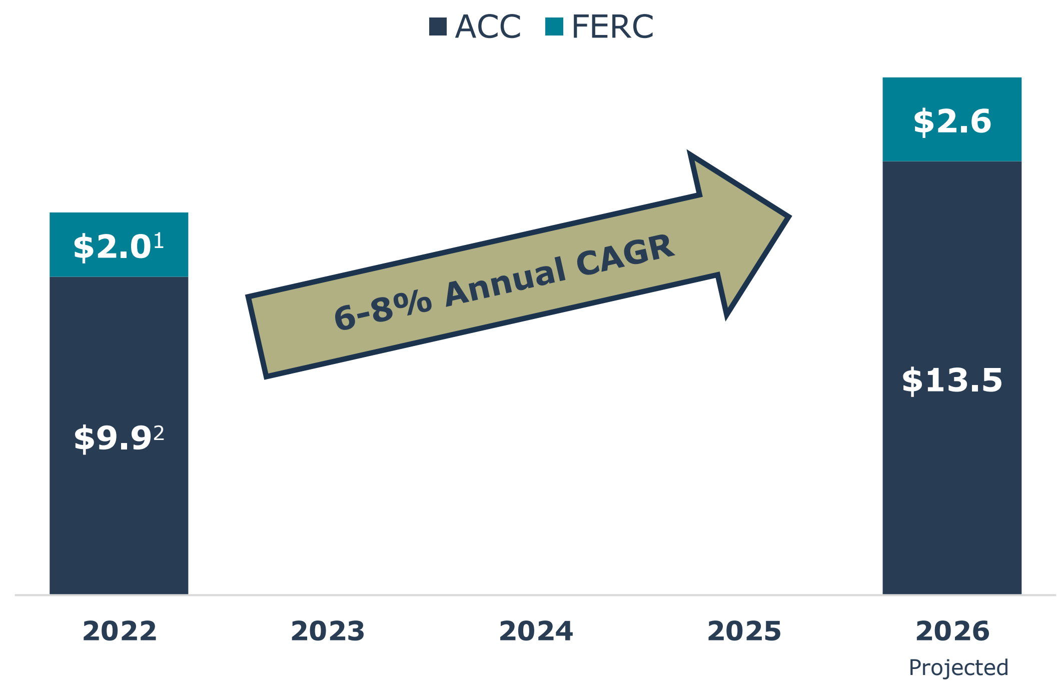
Current Approved Rate Base and Test Year Detail

	ACC	FERC
Rate Effective Date	03/08/2024	6/1/2023
Test Year Ended	6/30/2022[1]	12/31/2022
Equity Layer	51.93%	50.3%
Allowed ROE	9.55%	10.75%
Rate Base	$10.36B[2]	$2.0B

Generation spend through System Reliability Benefit Surcharge and transmission spend will total ~35% of tracked capital from 2024-2026 and help reduce regulatory lag

[1] Adjusted to include post-test year plant in service through 06/30/2023.
[2] Rate Base excludes $215M approved through Joint Resolution in Case No. E-01345A-19-0236.

End-of-Year Rate Base and Growth Guidance



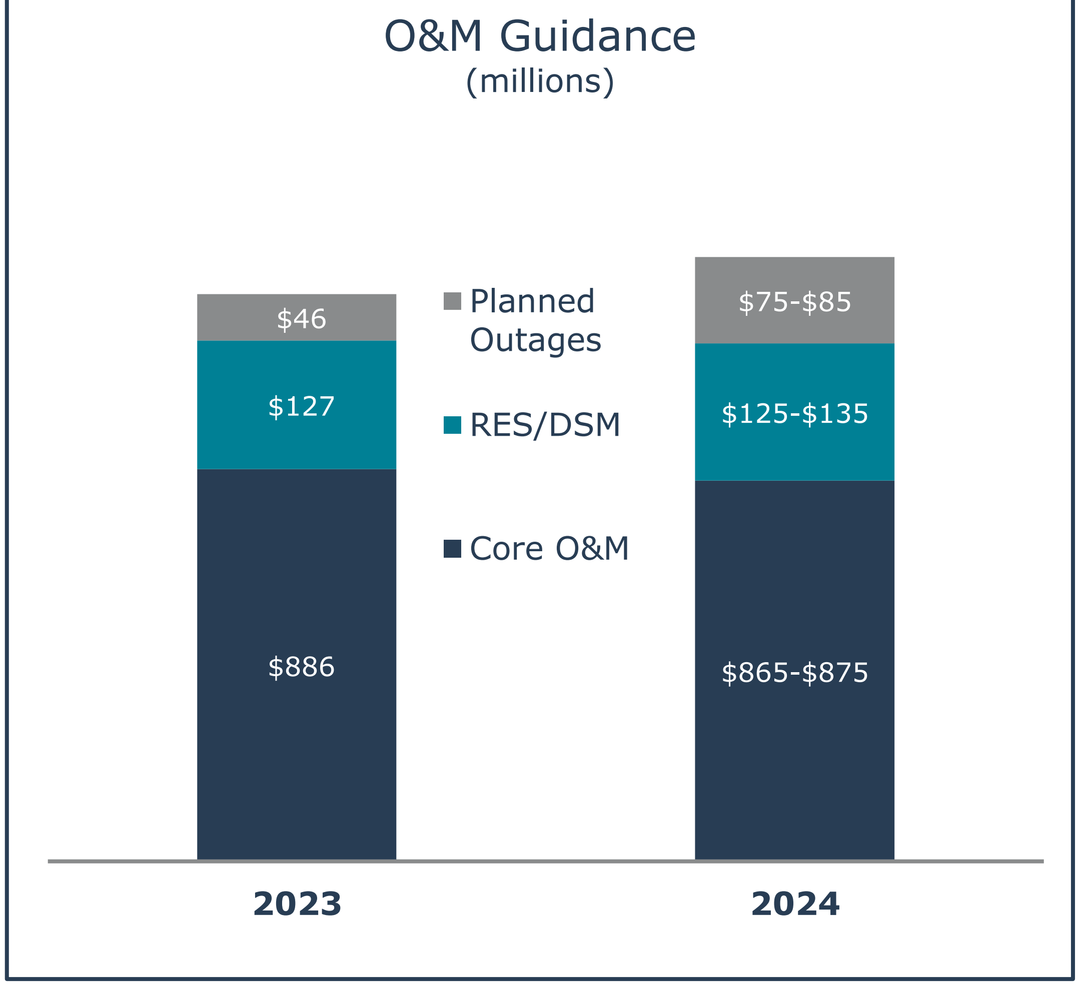
Rate base $ in billions, rounded

[1] Derived from APS annual update of formula transmission service rates.
[2] Represents unadjusted ACC jurisdictional rate base consistent with regulatory filings.

We are focused on cost control and customer affordability

Operations & Maintenance Guidance

- Reduced year-over-year core O&M excluding planned outages
- Final planned major outage in Q4 2024 at Four Corners Unit 5
    - Unit 4 final planned major outage in 2025
- Lean culture and declining O&M per MWh goal



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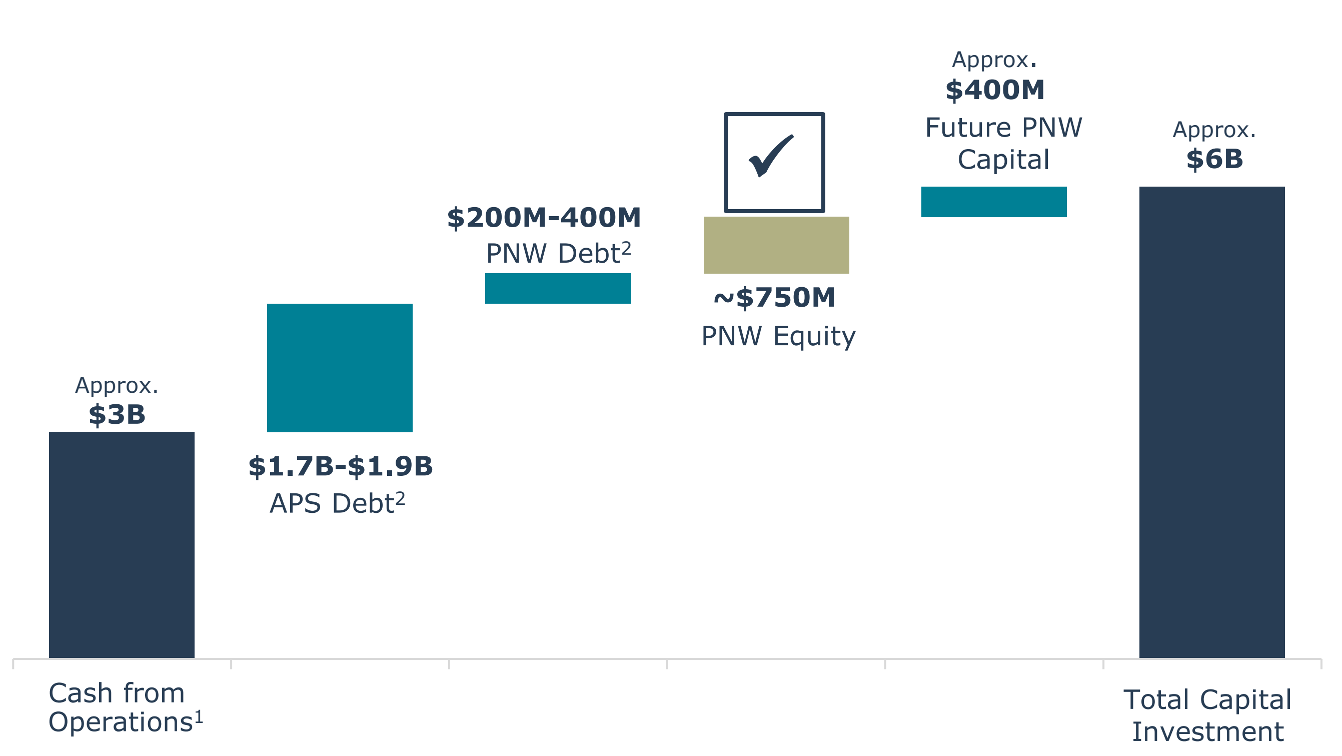
Optimized financing plan to support balanced capital structure

2024-2026 Financing Plan



[1] Cash from operations is net of shareholder dividends.
[2] APS and PNW debt issuance is net of maturities.

Funding Strategy

- ✓ Successfully raised ~$750 million of external equity on a forward sale to support balanced APS capital structure and expanded, accretive investment
- Enhanced CapEx plan will require future financing matched to spend profile through 2026 (~40% of incremental CapEx in plan)
- Tools available for future PNW capital need include ATM and alternatives (e.g., hybrid securities)

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We are focused on maintaining healthy credit ratings to support affordable growth[1]

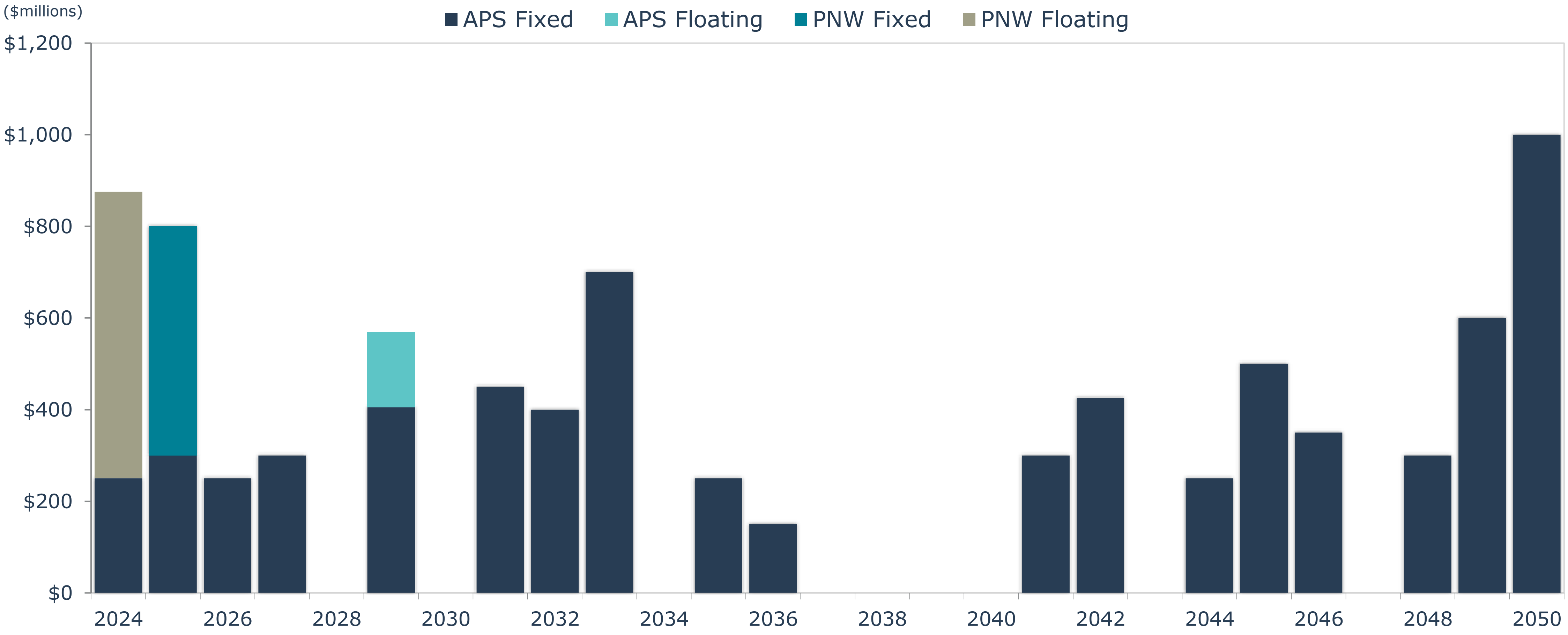
	Corporate Ratings	Senior Unsecured Ratings	Short-Term Ratings	Outlook
APS				
Moody's	Baa1	Baa1	P-2	Stable
S&P	BBB+	BBB+	A-2	Stable
Fitch	BBB+	A-	F2	Stable
Pinnacle West				
Moody's	Baa2	Baa2	P-2	Stable
S&P	BBB+	BBB	A-2	Stable
Fitch	BBB	BBB	F3	Stable

Balance Sheet Targets

- Solid investment-grade credit ratings
- APS equity layer >50%
- PNW FFO/Debt range of 14%-16%

[1] We are disclosing credit ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds. Ratings are as of April 25, 2024.

Debt maturity profile shows well managed and stable financing plan



As of March 31, 2024

Appendix

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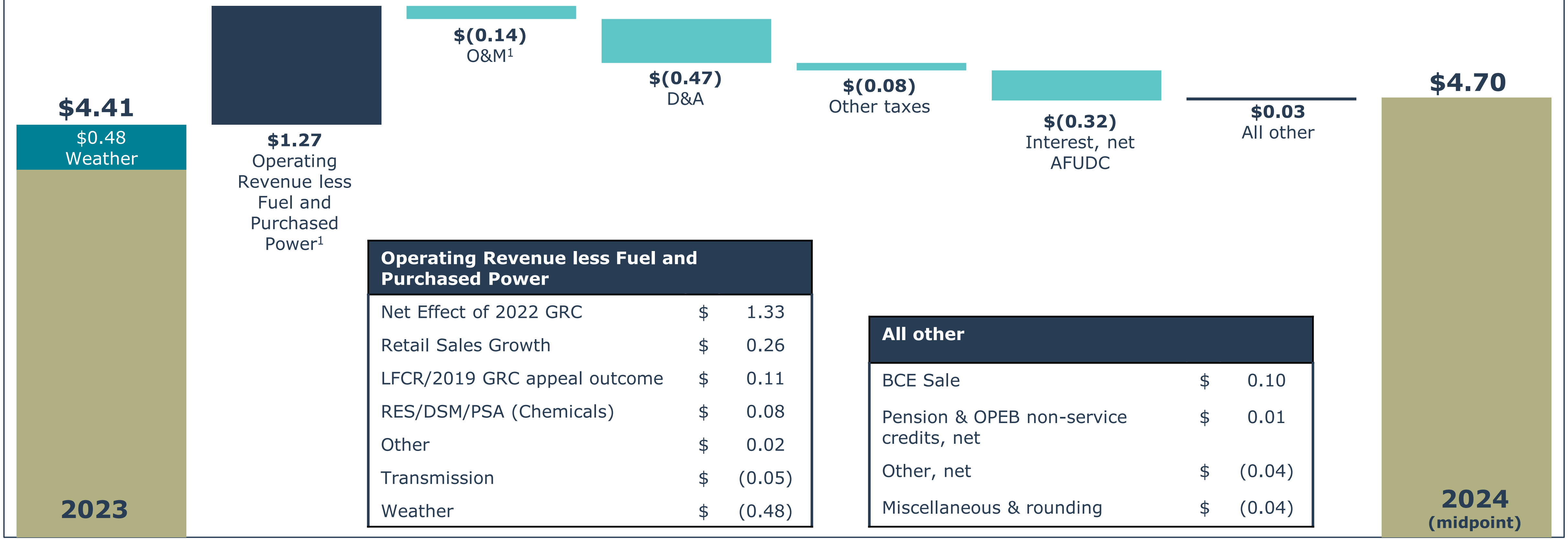
2024 EPS Guidance of $4.60 - $4.80

2024 vs 2023



Operating Revenue less Fuel and Purchased Power		
Net Effect of 2022 GRC	$	1.33
Retail Sales Growth	$	0.26
LFCR/2019 GRC appeal outcome	$	0.11
RES/DSM/PSA (Chemicals)	$	0.08
Other	$	0.02
Transmission	$	(0.05)
Weather	$	(0.48)

All other		
BCE Sale	$	0.10
Pension & OPEB non-service credits, net	$	0.01
Other, net	$	(0.04)
Miscellaneous & rounding	$	(0.04)

[1] Includes costs and offsetting operating revenues associated with renewable energy and demand side management programs, see slide 22 for more information.

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The 2022 rate case outcome was reasonable and constructive

Key Components of Final Decision	
Return on Equity	9.55%
Fair Value Increment	0.25%
Equity Ratio	51.93%
Post Test-Year Plant	12 months + Four Corners ELG
New Capital Tracking Mechanism	System Reliability Benefit surcharge approved
Existing Adjustors	• Partial transfer of LFCR funds to base rates • PSA annual cap increase approved
Total Base Rate Increase	$491.7M
Total Net Increase	$253.4M
Customer Net Impact on Day 1	8%

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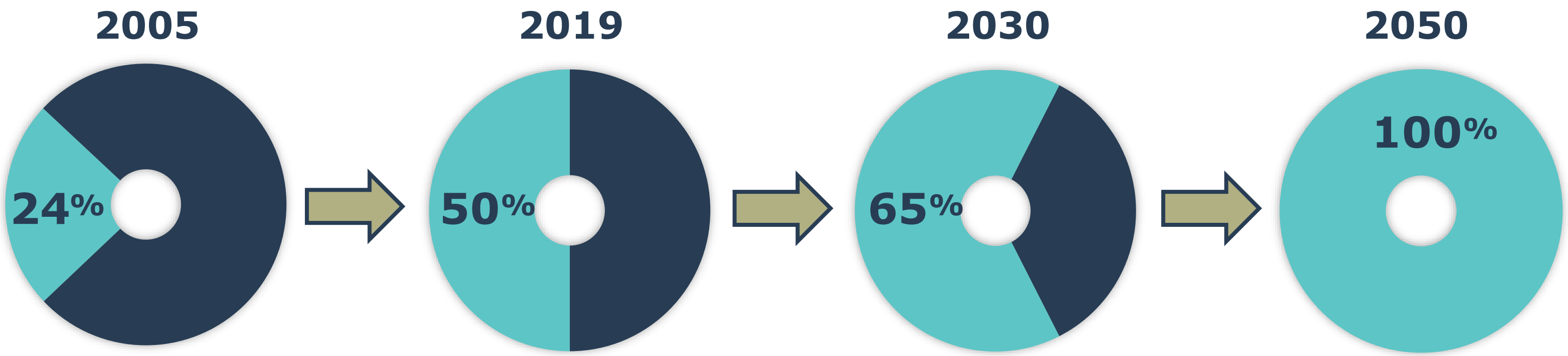
We are making progress towards our Clean Energy Commitment

Progress

- Since 2020, have contracted over 5,000 MW of clean energy and storage to be in service for APS customers by end of 2025
- Issued 2023 All-Source RFP for approximately 1,000 MW of reliable capacity, including at least 700 MW of renewable resources
- Successfully received approval of the System Reliability Benefit Surcharge that will expand our capacity to self-build generation to meet customer need with reduced lag

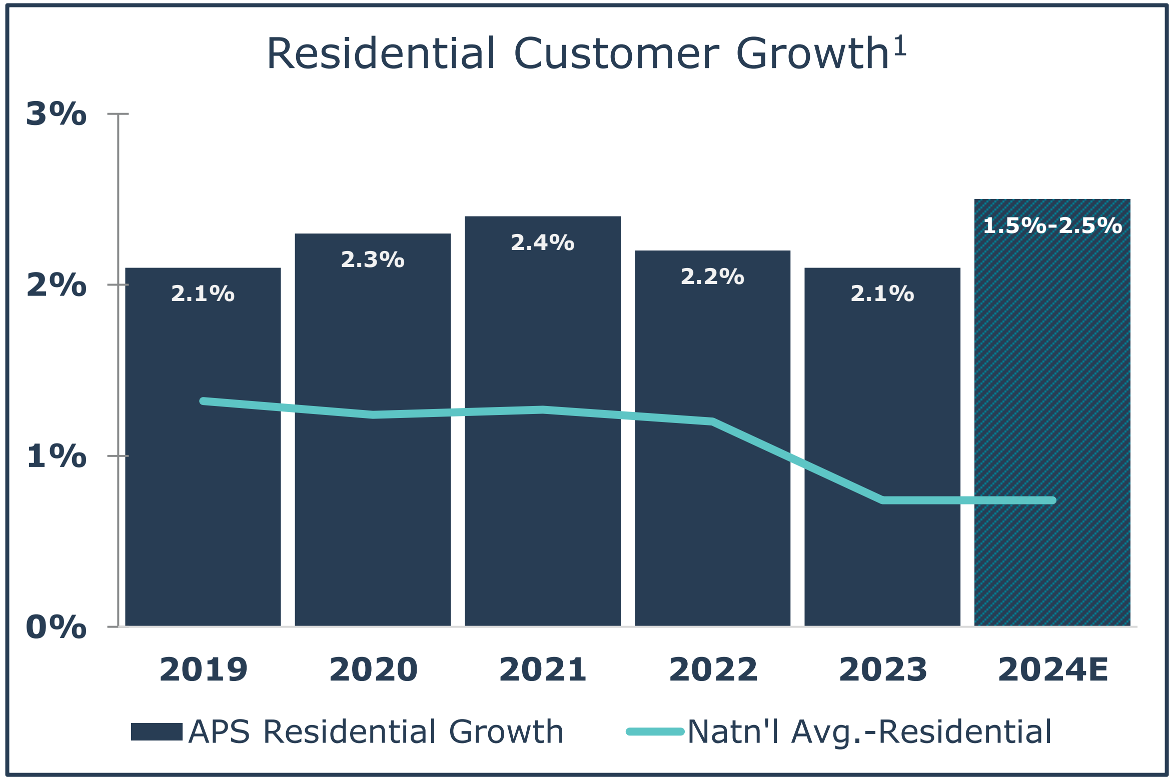
Pathway



Arizona continues to be an attractive service territory with strong customer growth

Arizona economy continues to be robust and attractive

- In 2023, Maricopa County was the fourth fastest-growing county in the nation
- Phoenix housing is affordable compared to major cities in the region
- Phoenix is ranked #1 out of 15 top growth markets for manufacturing by Newmark Group, a global real estate firm
- Maricopa County leads the nation in attracting talent according to Lightcast, a global leader in labor market analytics



[1] National average from 2023 Itron Annual Energy Survey Report.

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Arizona's commercial and industrial growth is diverse

Source: Arizona Commerce Authority

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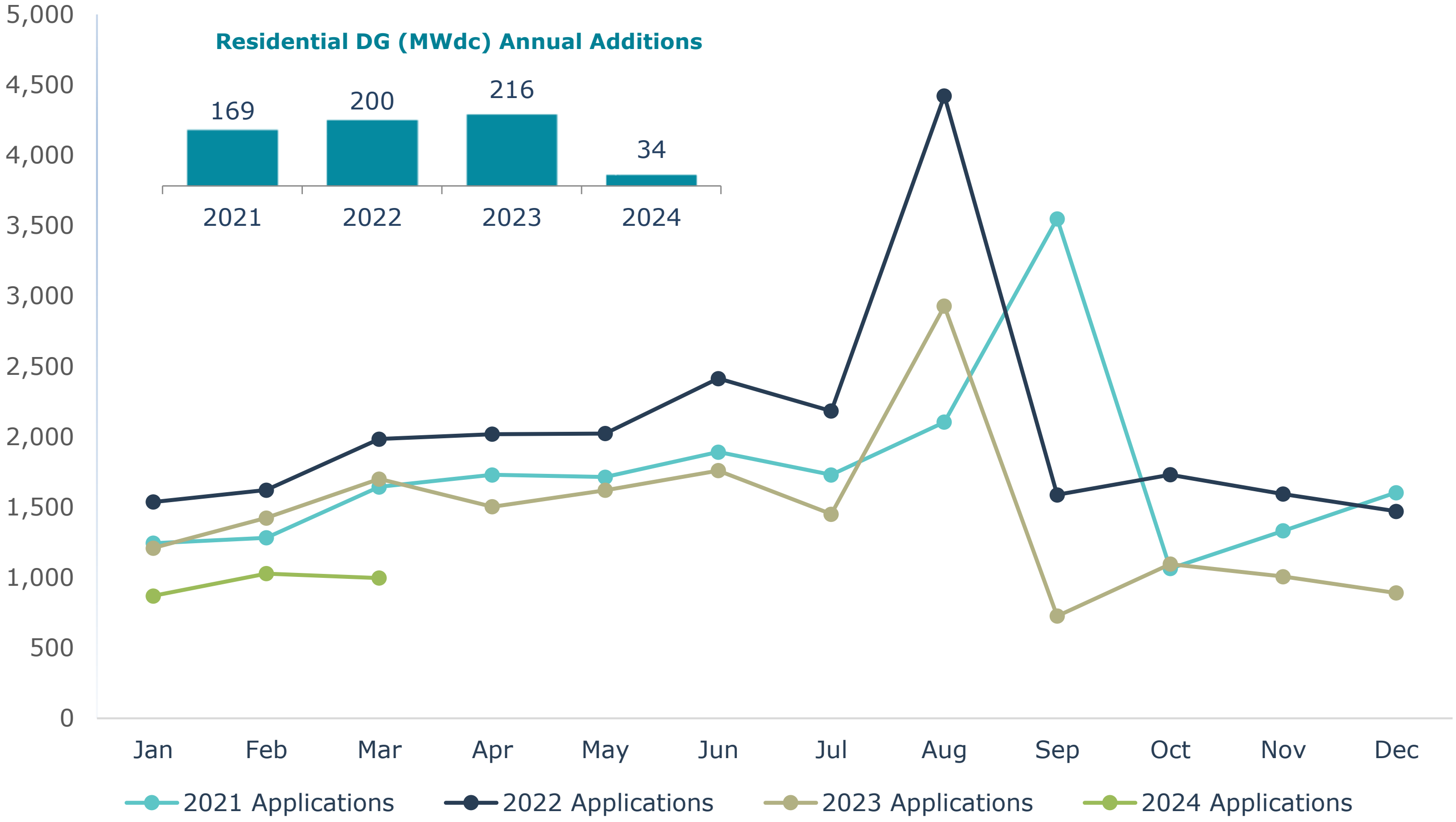
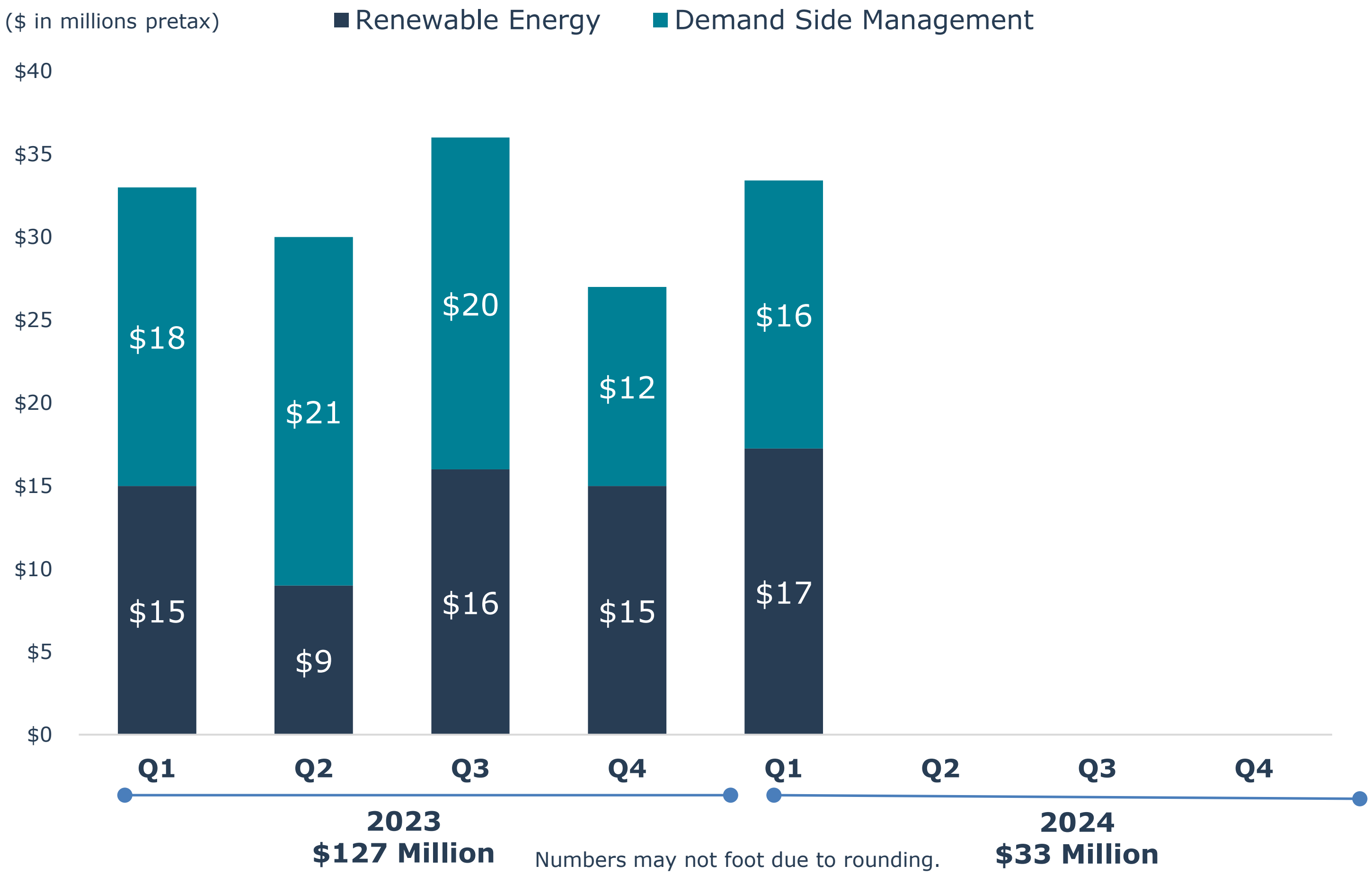
Residential PV Applications



[1] Monthly data equals applications received minus cancelled applications. As of March 31, 2024, approximately 178,285 residential grid-tied solar photovoltaic (PV) systems have been installed in APS's service territory, totaling approximately 1,583 MWdc of installed capacity. Excludes APS Solar Partner Program, APS Solar Communities, and Flagstaff Community Partnership Program.

Note: www.arizonagoessolar.org logs total residential application volume, including cancellations.

Renewable Energy & Demand Side Management expenses[1]



Numbers may not foot due to rounding.

[1]Renewable Energy and Demand Side Management expenses are substantially offset by adjustment mechanisms.

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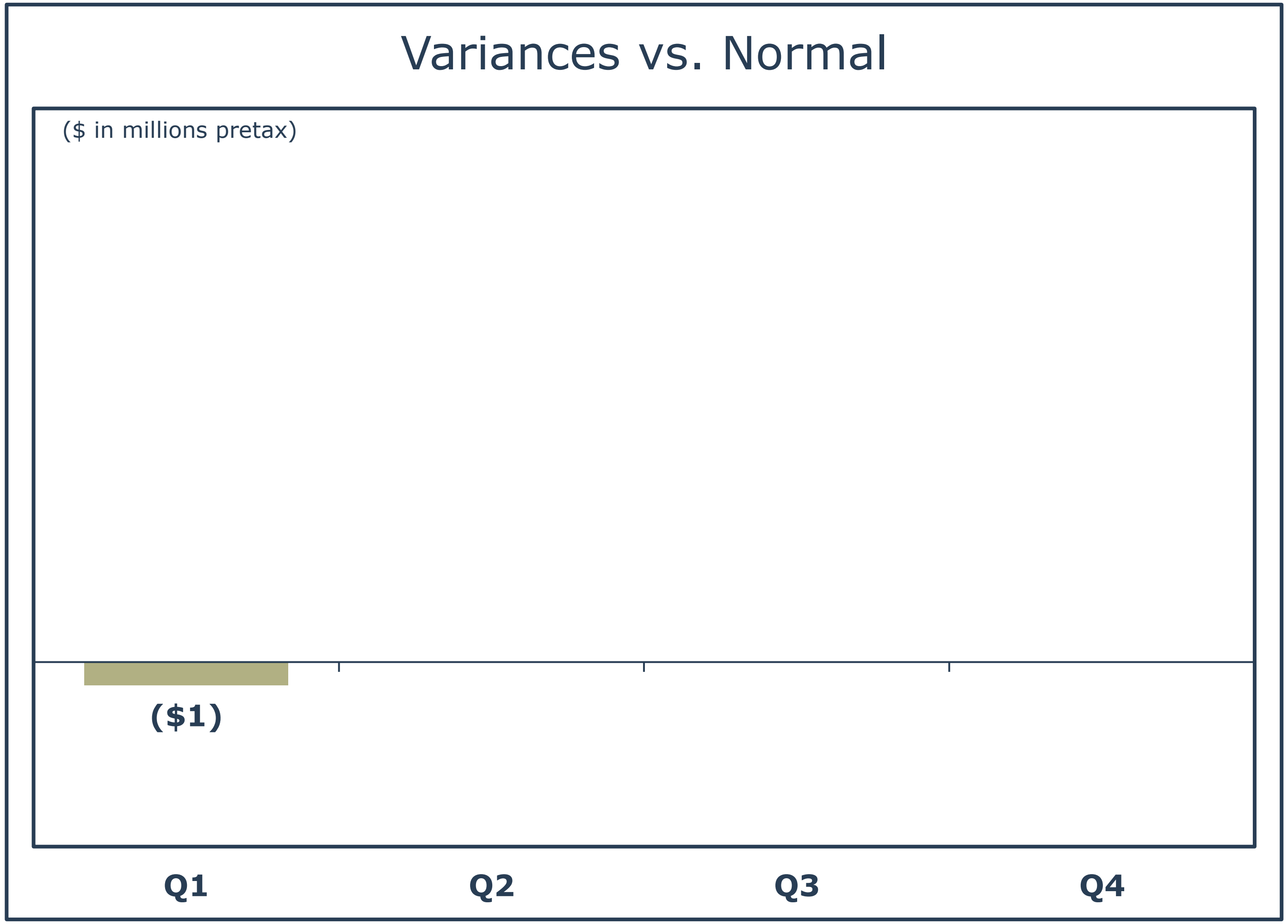
2024 gross margin effects of weather



2024 Total Weather Impact: $(1) Million

All periods recalculated to current 10-year rolling average (2013 – 2022). Numbers may not foot due to rounding.

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2024 Planned Outage Schedule

Coal, Nuclear and Large Gas Planned Outages

Q1

Plant	Unit	Actual Duration in Days
Redhawk	CC1	66
West Phoenix	CC5	71

Q2

Plant	Unit	Estimated Duration in Days
West Phoenix	CC5	55
Palo Verde	3	36

Q4

Plant	Unit	Estimated Duration in Days
Palo Verde	2	36
Four Corners	5	66

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Non-GAAP Measure Reconciliation

	2023 Actuals[4]	2024 Guidance[4]
Operating revenues[1]	$4.70 billion	$4.92 - $5.02 billion
Fuel and purchased power expenses[1]	**$1.79 billion**	**$1.85 - $1.89 billion**
Gross Margin	**$2.90 billion**	**$3.06 - $3.13 billion**
Adjustments:		
Renewable energy and demand side management programs[2]	$129 million	$125 - $135 million
Adjusted gross margin	**$2.77 billion**	**$2.93 - $3.00 billion**
Operations and maintenance[1,3]	**$1.06 billion**	**$1.07 - $1.09 billion**
Adjustments:		
Renewable energy and demand side management programs[2]	$127 million	$125 - $135 million
Adjusted operations and maintenance	**$932 million**	**$940 - $960 million**

[1]Line items from Consolidated Statements of Income.
[2]Includes $3.3M for CCT (Coal Community Transition) in 2023 and $3.3M in 2024 which is recovered through REAC (Renewable Energy Adjustment Charge).
[3]O&M per MWh was $35/MWh in 2023.
[4]Numbers may not foot due to rounding.

2024 Key Regulatory Dates

Case/Docket #	Q1	Q2	Q3	Q4
2022 Rate Case: **E-01345A-22-0144**	Rates effective March 8	Procedural conference re: rehearing request April 26		
Power Supply Adjustor (PSA) **E-01345A-22-0014**:	2024 PSA rate (no change from 2023)			PSA application to be filed Nov. 27
Transmission Cost Adjustor **E-01345A-22-0014**:		To be filed May 15; effective June 1		
Lost Fixed Cost Recovery **E-01345A-23-0228**:		2023 LFCR effective May 1	2024 LFCR to be filed July 31	2024 LFCR effective date Nov. 1 (if approved)
Resource Planning and Procurement: **E-99999A-22-0046**				Anticipated 2023 IRP acknowledgment
2024 RES Implementation Plan **E-01345A-23-0193**:		2024 REAC-1 effective (if approved)	2025 Plan to be filed July 1	
Resource Comparison Proxy **E-01345A-24-XXXX (TBD)**:		Updated RCP filing to be filed May 1	Effective Sep. 1 (if approved)	
Test Year Rules (Regulatory Lag) **AU-00000A-23-0012:**	Workshop held March 19th			
2024 Financing Application **E-01345A-24-XXXX (TBD)**		Equity infusion and Long-term debt application filed April 19		

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Consolidated Statistics

	3 Months Ended March 31,		
	2024	2023	Incr (Decr)
TOTAL OPERATING REVENUES (Dollars in Millions)			
Retail			
Residential	$ 433	$ 410	23
Business	461	406	55
Total Retail	894	816	78
Sales for Resale (Wholesale)	27	96	(69)
Transmission for Others	28	32	(4)
Other Miscellaneous Services	3	2	1
Total Operating Revenues	$ 952	$ 945	7
ELECTRIC SALES (GWH)			
Retail			
Residential	2,767	2,868	(101)
Business	3,810	3,453	357
Total Retail	6,576	6,321	256
Sales for Resale (Wholesale)	1,334	1,046	288
Total Electric Sales	7,911	7,367	544
RETAIL SALES (GWH) - WEATHER NORMALIZED			
Residential	2,762	2,744	18
Business	3,830	3,483	347
Total Retail Sales	6,592	6,227	365
Retail sales (GWH) (% over prior year)	5.9%	3.6%	2.2%

	3 Months Ended March 31,		
	2024	2023	Incr (Decr)
AVERAGE ELECTRIC CUSTOMERS			
Retail Customers			
Residential	1,246,840	1,222,905	23,935
Business	143,677	142,425	1,252
Total Retail	1,390,517	1,365,330	25,187
Wholesale Customers	58	58	0
Total Customers	1,390,576	1,365,388	25,188
Total Customer Growth (% over prior year)	1.8%	2.0%	(0.2)%
RETAIL USAGE - WEATHER NORMALIZED (KWh/Average Customer)			
Residential	2,215	2,244	(29)
Business	26,655	24,453	2,202

PINNACLE WEST CAPITAL CORPORATION

Consolidated Statistics

	3 Months Ended March 31,		
	2024	2023	Incr (Decr)
ENERGY SOURCES (GWH)			
Generation Production			
Nuclear	2,549	2,507	42
Coal	1,990	2,068	(79)
Gas, Oil and Other	1,410	1,785	(375)
Renewables	230	93	138
Total Generation Production	6,179	6,453	(273)
Purchased Power			
Conventional	621	568	53
Resales	41	54	(13)
Renewables	824	618	206
Total Purchased Power	1,485	1,240	246
Total Energy Sources	7,664	7,692	(28)
POWER PLANT PERFORMANCE			
Capacity Factors - Owned			
Nuclear	102%	101%	1%
Coal	67%	71%	(3)%
Gas, Oil and Other	18%	23%	(5)%
Solar	28%	19%	9%
System Average	44%	47%	(4)%

	3 Months Ended March 31,		
	2024	2023	Incr (Decr)
WEATHER INDICATORS - RESIDENTIAL			
Actual			
Cooling Degree-Days	-	-	-
Heating Degree-Days	476	683	(207)
Average Humidity	0%	0%	0%
10-Year Averages (2013 - 2022)			
Cooling Degree-Days	-	-	-
Heating Degree-Days	439	439	
Average Humidity	0%	0%	-

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